GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1088
ANSWERED ON:29.04.2016
Settlement of Insurance Claims
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Will the Minister of FINANCE be pleased to state:

(a) the details of the measures taken by the Government to make the process relating to the proper settlement of insurance claims more simple, transparent and time bound;
(b) whether a large number of complaints of financial irregularities and settlement of claims has been received against the insurance companies in the last one year; and
(c) if so, the details thereof along with the number of complaints disposed off, during this period company-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) to (c): As per the information furnished by Insurance Regulatory and Development Authority of India (IRDAI), the Authority has notified IRDA (Protection of Policyholders) Interest Regulations, 2002. Regulation 8 and 9 of the said Regulations mandates the procedures and timelines to be followed for settlement of claims in respect of Life and Non Life (including Health) insurance policies respectively. In addition, Regulation 8 of the IRDA (Health Insurance) Regulations, 2013 prescribes norms for settlement of claims in respect of Health Insurance policies.
Further, the Authority conducts focused onsite inspection in case any grave irregularity is noticed in the claim settlement by the insurer or during the course of redressing the grievance of the policyholders related to the claim settlement. Based on the investigation and follow up, necessary regulatory and corrective actions are initiated.

The IRDAI has also set up Integrated Grievance Management System (IGMS), an online consumer complaints registration system, wherein Policyholders can register their complaints with their insurance company and track the progress of complaint resolution. IRDAI monitors the complaints and their progress in real-time through IGMS. Under IGMS, IRDAI plays a facilitative role in resolution of policyholder grievances. IGMS also acts as central repository of complaints of the insurance industry.

The Central Government has framed Redressal of Public Grievances Rules (RPG Rules), 1998 to resolve complaints related to settlement of claims on the part of insurance companies in cost effective, efficient and impartial manner through the mechanism of Insurance Ombudsman.

The status of the claim related complaints registered on IGMS during the year 2015-16 against life & non-life insurance companies is given in Annexure I & II respectively. These complaints include all servicing related matters pertain to survival claims, death claims and non life claims as well as repudiations and partial repudiations of claims.

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